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Under Strain:
A Robust Russian Foreign Posture Despite Limitations

A Thesis

Presented to

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Of the University of San Diego

By

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Introduction

The geopolitical maneuverability held by the Russian Federation has been considered to be intrinsically connected to the prices of hydrocarbons. High oil prices can be a particular boon for the Russian Federation and its international significance; the oil and natural gas sectors are largely state-owned and provide government revenue. However, as hydrocarbon prices stay remarkably collapsed for the third year, the Kremlin's revenue problems are compounded by Western sanctions and a level of international mistrust still rippling from its aggressive actions in annexing Ukraine in 2014. It is to be expected, then, that Russian foreign posturing would be collapsed and submissive.

Yet, Moscow's foreign policy has been remarkably robust and arguably aggressive through the last few years. Under this crisis period, Vladimir Putin has consolidated an imperial control in the domestic arena while abroad instigating and maintaining a series of frozen conflicts in Georgia, Moldova, Eastern Ukraine, and Armenia/Azerbaijan, establishing Russia as a major power of mediation in the Syrian civil war conflict, developed important projects with international partners such as Nord Stream 2, and is modernizing the Russian nuclear weapon holdings.

Here, then, is an obvious paradox: Russian foreign policy seems to be thriving despite ostensibly serious limitations. This study seeks to explain this paradox by identifying and discussing some of the significant factors that allow the Kremlin to behave so actively and forcefully abroad while somehow avoiding the ill effects of international sanctions and low prices of hydrocarbons. We will begin with brief examinations of a robust Russian foreign policy and the two limitations (Western sanctions and low hydrocarbon prices) that are understood to be affecting Russian foreign policy. Then we will examine two major factors that allow the Kremlin

to behave more boldly than it would otherwise be allowed by our two limitations, namely a Sino-Russian relationship growing in significance and the Russian exertion of influence through soft power. The conclusion will question whether the Russian use of its relationship with China and its soft power assets is sustainable.

A Robust Contemporary Russian Foreign Policy

To suggest that contemporary Russian foreign policy is robust is hardly controversial. Indeed, to posit that the foreign policy is aggressive would not be a stretch. For a state that is no longer considered a superpower, the Russian Federation has garnered for itself an international reputation exceeding what is commonly understood about its capabilities. Indeed, in the December 2017 US National Security Strategy, the word “Russia” appears 25 times- the word “China,” which refers to a great power identified as a strategic competitor to the United States, appeared 32 times (National Security Strategy of the United States 2017). This relatively small difference hardly reflects the apparent disparity between these powers in current understanding. It is worth a general investigation, then, into how high the Russians are able to punch, what the Russians are active in doing on the international stage, and how this could make the US feel the need to include Russian activities in its National Security Strategy.

Here then follows a brief overview of some significant aspects of the contemporary Russian foreign posture, covering the strategy of hybrid warfare, the implementation of hybrid warfare in frozen conflicts, the more recent Russia role in Syria and its implications, the modernization of Russia’s nuclear arsenal, and important joint international projects.

I. Hybrid Warfare

US concerns about Russian security posturing, at least eastern and northeastern Europe, have little to do with the survival of the US itself. Neither is direct Russian aggression a concern- any

outright war against a state, especially a NATO member, would be disastrous for Russia, if for no other reason than NATO's rampant military outspending in comparison. NATO outspent Russia over 12:1 in defense budgets in 2016, even though the Russian defense budget had increased by 87 percent since 2007 (NATO Watch 2017).

Instead, a potential Russian threat to NATO comes from a relatively new Russian strategic invention called hybrid, or asymmetrical, warfare. Although there is no agreement on definition, RAND suggests it can be characterized in the Russian context by "covert or deniable activities, supported by conventional or nuclear forces, to influence the domestic politics of target countries," as reflected in the most obvious example of the ongoing Ukrainian crisis that began in Spring 2014 (RAND 2017). The Ukrainian example produced great fear in NATO members on NATO's easternmost flank, particularly the Baltics, that Russia could begin a hybrid warfare in their territories and NATO would be unable or unwilling to respond.

Producing political unwillingness to respond to a threat of another state is, of course, an object of Russian hybrid warfare. The larger goal of the strategy is relatively simple: the deniability of covert and asymmetrical action at a small level of escalation would allow Russia to control escalation of a given conflict on NATO's eastern flank in a way that exploits its local advantages without incurring a sufficiently strong NATO response (Colby, Etheridge and Jonathan Solomon 2015, 22).

In all, then, if the United States truly values the continuity and coherence of NATO as an alliance structure, Russia hybrid warfare presents a real threat to US security interests. As such, countering a potential Russian hybrid warfare conducted against or uncomfortably near a NATO member has had to become a priority for NATO strategy. For Russia, a single state, to be able to incite such a large response from NATO, an organization that spends over 12 times as much on

defense, is a shocking example of how far above its weight Russian contemporary foreign policy is able to punch.

II. Frozen Conflicts

Aside from potentially threatening the cohesion of NATO itself, Russia has been able to exploit its role as a regional power to expand the use of its military abroad, inciting and/or maintaining so-called frozen conflicts. Ukraine, Georgia, Moldova, and Armenia/Azerbaijan all have frozen conflicts, or “unresolved territorial conflicts...between a sovereign state and a breakaway region(s) that is either directly or indirectly supported by Russia” (Cooley 2017, 2). In many of these cases, the sovereign state’s government supports the Kremlin or is Kremlin-backed, indicating that the Russian purpose is not supporting one side, but exerting its own influence in Eurasia. The extent of the bureaucratic manipulation is indicative of the larger-scale Russian effort as a regional power: it is no accident that “Russian passports have been distributed to residents of Ossetia, Abkhazia, and Crimea” (Toucas 2017).

Frozen conflict does not refer to a lack of bloodshed, but to the Russian goal of the conflicts-to avoid a direct conflict with a state or incite a larger effort against Russia itself, Russia has “used the presence of [Russian] peacekeepers and [Russian] diplomatic prowess to keep these conflicts in a ‘no war, no peace’ situation that perpetuates a Russian role in a state’s borderlands” (Coyle 2018, 262). The diplomatic prowess Coyle mentions usually manifests as a significant Russian role in peace negotiations, which fail in perpetuity to justify an extended Russian military ‘peacekeeping’ presence. A dominant role here also usually entails dependence on Russia by both sides of a frozen conflict and entrenches a pseudo-client state dependence into practice.

Maintenance of frozen conflicts is “at the core of Russia’s current efforts to legitimize the establishment of its buffer zone in the Black Sea region” (Toucas 2017). This buffer zone is not simply a group of troubled states looking north at the Russian Federation for stability; the buffer zone is for security, made up of new pockets of Russian hard power. Russian forces in this region, peacekeeping or not, now include the 14th Army stationed in Transnistria, Moldova, the 102nd military base in Gyumri, Armenia, Armenian allies fighting in Nagorno-Karabakh, troops in Abkhazia and South Ossetia, forces all over Crimea, and allies in the Donbas (Coyle 2018, 265).

This effort to create an effective buffer zone in the Black Sea is not surprising. The targets for Russian interference were practically mapped out after Russia failed to prevent “NATO from pledging eventual membership to Georgia and Ukraine at the Bucharest Summit (2008), while establishing closer partnerships with Azerbaijan, Armenia (2005), and Moldova (2006)” (Toucas 2017). Under no circumstances could Russia have felt comfortable being so entirely encircled by NATO, and it can be no shock that these very states so cultivated by NATO now find themselves unable to produce the political sovereignty or territorial integrity to join the alliance. Russia has, however, been surprisingly successful at using the strategy of frozen conflict to its ultimate benefit, and it has become undeniably a more effective regional player as a result.

III. Action and Mediation in Syria

Russian action in the Syrian civil war did not begin until the autumn of 2015. The military intervention into Syria came at the behest of the Syrian incumbent government, entailing a different philosophy for the Russians entering the situation: Russian action would not go ahead against ISIS, but in support of Assad (Kilcullen 2017, 189).

In accordance with that philosophy, Russia engaged in “20 airstrikes on September 30, 2015, hitting 8 targets...in the first overt Russian combat action outside the borders of the former Soviet Union since 1989” (Kilcullen 2017, 188). As well as providing continued military support to the Assad regime since, the Russians have continued a practice, perfected over the course of several frozen conflicts, of being militarily involved in a state while also playing a serious role in peace talks. Russia pushed its way into the UN’s Geneva peace talks, and while the Geneva talks run set up parallel talks in Astana, Kazakhstan, inviting Iran, Turkey, the incumbent Syrian government, and the opposition in January of 2017 that have predictably gone nowhere (Coyle 2018, 269).

Russia did not accede to the Assad regime’s request to intervene in the Syrian civil war out of the goodness of the state’s heart. Rather, Russian interests could be protected and expanded by intervening: the Syrian government has long been a major customer for the export of Russian arms, and Tartus, Syria, hosts Moscow’s only military base in the eastern Mediterranean (Coyle 2018, 267). The Syrian government has not been stingy in providing incentives for Russia to continue its support, either- a January 2017 agreement to upgrade and extend the Russian lease on Tartus for 49 years was a welcome addition to a Syrian gift in October 2016 of Khmeimim at Latakis, Russia’s first permanent airbase in the Middle East (Coyle 2018, 267). The incentives do go further, however- the intervention in Syria has arguably strengthened Russia’s geopolitical position.

Frankly, Moscow realized an opportunity while the US was telegraphing weakness to expand its influence in Iraq and Syria, a move that the US reinforced by doing nothing in response (Kilcullen 2017, 187). Russian activity in Iraq in late 2015 represented an attractive counteroffer to Iraq against the “light-footprint approach favored by the West that had been failing for the last

year” (Kilcullen 2017, 188). Even more significant was the geostrategic implication of “Russian forces moving into what had been a de facto US military sphere of influence for over a decade” without fear of a strong US counter (Kilcullen 2017, 188). On top of this brazen action, Moscow was not acting alone: Russia “appears to be creating a new, anti-Western regional alliance consisting of Russia, Syria, Iran, Hezbollah, and Hamas” that could provide the Middle East as a region with an alternative to the US-led international order (Coyle 2018, 266-267).

The action and mediation Russia has conducted in the Syrian civil war are perhaps most concerning because they have given Russia the kind of great-power prestige it has long wanted to regain. Perception matters in the regional politics of the Middle East, and it is noticed that “It was Putin, not President Donald Trump, who called Israeli Prime Minister Benjamin Netanyahu to ask him not to escalate after the Israelis bombarded Syrian and Iranian targets in retaliation for an Iranian drone incursion...who called Turkish President Erdoğan to discuss his offensive against U.S.-backed Kurdish militias in northern Syria in January” (Polyakova 2018). Russian influence in this conflict threatens to go beyond that of the US in a startling reversal of roles that should disconcert.

IV. Nuclear Arsenal Modernization

“Russia is in the middle of a broad modernization of its strategic and nonstrategic nuclear forces,” and although this modernization does not necessarily threaten to change the geostrategic game or even move away from a strategic nuclear force compatible with the New START treaty, there are still reasons to be concerned about this progress (Kristensen, Hans, and Robert Norris 2017, 115). A broader modernization effort, of which nuclear force modernization is an integral part, started in the 1990’s, is now around 70% of the way to completion, and should be finished in the mid-2020’s (Kristensen 2017). Phasing out old Soviet technology and replacing the

Russian arsenal with newer and fewer weapons has long been considered the priority for nuclear modernization.

In its current phase, nuclear modernization includes procuring 8 Borei-class SSBNs, building 400 ICBMs and SLBMs (this 10-year process is at a midway point), and updating the Tu-160 Blackjack bombers (Pifer 2018). Nuclear modernization operates and is funded under the Russian State Armament Program (SAP). The SAP for 2011-2020, which has brought military modernization to its current point, had a budget of 19.3 trillion rubles (or around 330 billion USD), and military modernization is expected to remain secure, as the SAP from 2018-2027 has also been approved with a 19 trillion-ruble budget (Gorenburg 2018).

The US' survival is not directly threatened by Russian nuclear modernization efforts. Indeed, the Department of Defense has stated that "the Russian Federation would not be able to achieve a militarily significant advantage by any plausible expansion of its strategic nuclear forces, ...primarily because of the inherent survivability of the planned US strategic force structure" (Kristensen 2017). However, this is not to imply that Russian nuclear modernization should be ignored. There is significant debate on what modernization efforts imply about Russian willingness to use nuclear weapons on the battlefield. Russia still looks to deter the US from a nuclear strike against Russia, compensating for perceived weaknesses in its nuclear arsenal. Russia has significantly fewer strategic launchers, which has led to the maximization of the number of warheads each Russian launcher can carry; as a result, 1,000 Russian warheads are deployed on Russian ICBMs, while only 400 American warheads are deployed on US ICBMs (Kristensen 2017).

Despite the fact that US survival is not in question, the modernization of the world's largest nuclear arsenal is not to be brushed over, and indeed Russian nuclear modernization is a reality

with which the US will have to live for the foreseeable future. Russia will not let its most significant military asset to disintegrate, and its grip on modernization, although expected, should be regularly considered.

V. Joint International Projects

On top of more aggressive military modernization, an active presence in Syria, initiation and maintenance of frozen conflicts, and the ability to threaten NATO members' security, the Russian Federation has consistently been able to initiate and participate in bilateral and multilateral projects that increase or maintain Russian significance with the participating states.

Energy projects, be they fueled by nuclear power, oil, or gas, continue to be a large portion of Russian international projects, justified by Russia's continued significance as an exporter of these three types of energy in infrastructure and natural resources.

The September 2015 agreement between the state-owned Russian energy exporter Gazprom and several European companies to embark on the Nord Stream 2 project, a set of two natural gas pipelines with a carrying capacity of 27.5 bcm per year each, underlined that Gazprom (as a proxy of the Russian government) has calculated that intensified Russian-German natural gas cooperation will make Gazprom's lobbying of international institutions more effective and that this infrastructure will allow Gazprom to cease using Ukraine as a transit country for Russian natural gas (Adomeit 2016, 3 and 7). Gazprom controls half of the shares of this international project, and a financing agreement was signed in 2017, cementing the building of Nord Stream 2, which is expected to be completed by 2019 (Stronski, Paul, and Richard Sokolsky 2017).

Russia has developed in recent years the Eastern Siberia-Pacific Ocean pipeline to deliver oil to the People's Republic of China and South East Asia, and is also working on the Power of

Siberia pipeline to deliver some 38 billion cubic meters of natural gas to China annually (Coyle 2018, 266). Russia and Iran have signed agreements to collaborate on strategic energy deals worth up to \$30 billion; their cooperation includes “swap operations, supplying oil and oil products, training staff, and modernizing oil refining” (Foy, Henry, Najmeh Bozorgmehr, Anjali Raval 2018). Another bilateral natural gas project is with Turkey- Turkstream seems likely to be completed in 2018, with Russia and Turkey signing an intergovernmental agreement in 2016 and construction beginning in May 2017 (Stronski, Paul, and Richard Sokolsky 2017).

Nuclear energy projects between Rosatom as the Russian primary governmental proxy and other states are almost as numerous- of note are the Paks nuclear power plant with Hungary, the Hanhikivi-1 nuclear power plant with Finland, and the Akkuyu nuclear power plant with Turkey (Stronski, Paul, and Richard Sokolsky 2017).

Joint exercises between Russia and other powers are projects similarly cementing the significance of the Federation to international partners. In the South China Sea, Russians conducted a joint naval exercise with the Chinese in September 2016, shortly after The Hague arbitration court ruled in favor of the Philippines’ claim in the South China Sea against China, setting in some stone good bilateral relations (Stronski, Paul, and Richard Sokolsky 2017). Russia regularly conducts combat exercises with closer neighbors like Belarus (three such exercises were completed in 2011-2014 alone), the usefulness to the Russian Federation lying less in significant numerical support from allies and more in symbolic representations of excellent relations with Russia as the dominant partner (Norberg 2015, 63). The defense and security cooperation in the CSTO and in the CIS Joint Air Defense Cooperation gives Russia significant access to all member territories in both international organizations and likely to the defense structures of these same states (Norberg 2015, 63).

The international projects in which Russia participates give the state influence and anchor good bilateral and multilateral relations to a remarkable extent, and their relevance to Russian foreign posturing cannot be overstated. Extensive cooperation with a number of states is an essential element of what can safely be called a robust Russian foreign policy.

Limitation I: Western Sanctions Since 2014

In March-April 2014, the Russian government annexed the Crimean Peninsula in an outrageous action that highlighted its interference in Ukrainian affairs to a degree that the West could not disregard. In an attempt to coerce the Russian government to change its behavior towards Ukraine, 37 countries decided to levy sanctions, significantly including sanctions targeting the Russian finance, defense, and energy sectors (Bros 2017, 15). Oil companies, including Rosneft and its subsidiaries, GazpromNeft, Lukoil, Surgutneftegas, and Transneft, were targeted because of the amount of state control over the oil sector and the importance of oil sales as the primary source of income for Russia more generally (Bros 2017, 15). Since sanctions are an economic tool to change the target government's behavior, it is essential to consider how effectively sanctions have caused harm to the Russian economy (particularly the sectors targeted), and whether or not sanctions have affected the Russian government's behavior towards Ukraine.

Different parties have an interest in claiming either that sanctions were very effective or ineffective. The Russian government is interested in portraying western sanctions as ineffective, thereby making the Russians seem indomitable; in this vein, Anton Siluanov, the Russian Finance Minister, valued the "cost of sanctions to the Russian economy at \$40 billion (2% of GDP), compared to \$90-\$100 billion (4-5% of GDP) lost due to lower oil prices" (Nelson 2017, 8). On the opposite end of this spectrum of interests, the West wants its sanctions to be perceived

as effective; if sanctions are effective, the West can purport to have responded in a united and successful way to Russian behavior that threatens the international order. To that effect, a NATO source argues that sanctions were effective, forcing the state to use part of its foreign exchange reserves to shore up the sanctioned entities and leading the Russian economy into recession, with GDP growth of -2.2% for the first quarter of 2015, as compared to the first quarter of 2014 (Christie 2015).

Despite different biases, there is a certain level of consensus on generally how effective Western sanctions have been, especially on how difficult the actual effects of sanctions have been to quantify. “Many experts believe that sanctions are contributing to Russia’s economic challenges, but it is difficult to separate the impact of sanctions from other domestic and international factors, particularly low oil prices,” especially since sectoral sanctions specifically focused on the Russian oil sector (Nelson 2017, 13). Sanctions hit at the same time the price of oil dropped by more than 60% between the start of 2014 and the end of 2015, making discerning their separate influences on the Russian economy much more difficult (Nelson 2017, 4).

Indeed, the Russian economy found its existing flaws compounded throughout 2014, leaving Russian economic viability in an intense spiral near the end of that year; “falling oil prices, debt repayment pressures, policy mistakes, and lack of access to foreign credit markets created a perfect storm for the Russian financial market in mid-December 2014, resulting in the collapse of the ruble, which lost 50% of its value from the beginning of the year” (Aleksashenko 2016, 10). The Russian economy’s growth slowed to 0.7% in 2014 before contracting sharply by 3.7% in 2015, and its performance since has been shaky (Nelson 2017, i). The situation is not expected to rapidly improve; instead, the IMF argues that the medium-term prospects for Russia’s economy are subdued, especially due to the impact of sanctions on productivity and investment,

since Western sanctions have included denial of Western funding and participation in multiple important Russian projects (Nelson 2017, 6). In December 2016, the Office of the Chief Economist at the US State Dept. published estimates of the impact of the US and EU sanctions in 2014 on a firm-level basis, ultimately suggesting that “sanctions had a relatively smaller impact on Russia’s economy overall (Russian GDP and import demand) compared to oil prices” (Nelson 2017, 8).

It is perhaps impossible to quantify the extent to which Western sanctions damaged the Russian economy separately from a number of other economic factors. It can be determined that “the storm on Russian financial markets in late 2014-early 2015 [representing the most significant blow to the Russian economy] was caused by a set of factors in which sanctions played an important, but not decisive, role,” and sanctions will likely continue to play a significant role in the Russian economy’s limp into the future (Aleksashenko 2016, 11).

While sanctions have certainly contributed negatively to the Russian economy according to the intent of those thirty-seven states sanctioning the Russians, “sanctions designed in mid-2014 did not significantly increase the costs of Russian foreign policy and did not clearly affect the Kremlin’s behavior” (Aleksashenko 2016, 7). Rather than presenting an effective punishment for Russian behavior destructive to the stability of the international order, “Russia has achieved its goals in Crimea and created a hotbed of tension in the east of Ukraine, allowing the Kremlin to destabilize its neighbor at any time...meanwhile, the West has been unable to compel Moscow to fulfill the Minsk ceasefire agreements or even to acknowledge its direct participation in the conflict” (Aleksashenko 2016, 7). Sanctions have not undermined the effectiveness of Russian covert and deniable action, but have proved instead that Russian action can have some lasting

impact without the Kremlin resorting to open warfare that could escalate quickly and produce unwanted Western intervention.

Neither has the Kremlin refrained from punishing Ukraine in the wake of the ongoing crisis; Russia has terminated a free-trade agreement with Ukraine and imposed tariffs and other restrictions on imports of Ukrainian goods, Ukrainian goods have been banned from going through Russia unless they first pass through Belarus (effectively banning the transit of these goods through Russian territory) since July 2016, and September 2016 featured a ban on supplying diesel fuel to Ukraine (Aleksashenko 2016, 7).

Since sanctions are economic tools intended to increase the political costs of an action by a sanctioned state seen as immoral or unacceptable by sanctioning states, Western sanctions on Russia since 2014 have been unsuccessful. Although the direct effects of sanctions on the Russian economy have negatively contributed to and indeed exacerbated the Russian economy's issues, sanctions have failed inflict unacceptable costs on Russian foreign action in Ukraine.

Limitation II: The Negative Effects of Low Oil and Natural Gas Prices

Aside from Western sanctions, the other major limitation that is expected to exert itself on Russian foreign policy is the recent period of low prices of natural gas and oil. At the same time sanctions were being applied, oil prices fell by more than half, from average crude oil prices of \$106 per barrel in the first half of 2014 to an average price of under \$50 per barrel in January 2015 (EIA 2017, 3). All told, while total Russian oil exports increased from 223.5 to 244.5 million tons of oil equivalent from 2014 to 2015, the total value of Russian oil exports decreased from 153895.5 to 89587.8 million U.S. dollars over the same years (Central Bank of the Russian Federation 2018). Natural gas data for the two years parallels the results for the oil sector: an

increase in total exports from 174.3 to 185.5 billion cubic meters, but a total decrease in value from 54685.1 to 41844.3 million U.S. dollars (Central Bank of the Russian Federation 2018). This drop in the values of Russia's most exported products has seriously affected the Russian economy and its government.

“Oil and gas revenues accounted for 36% of Russia's federal budget revenues in 2016,” but that figure belies the dependence of the Russian economy on its oil and gas sectors (EIA 2017, 1). The share of hydrocarbon production in Russian GDP has not technically risen above 27% in the last twenty-five years, but since Russia pays for its imports with earnings from exports (which are dominated by the oil and gas sectors), over half of consolidated budget revenues come from taxes and licenses attributable to the oil and gas sectors (revenues spent are also factored into GDP), and the direct influx of petrodollars that it converts to investments and spending in other sectors of the economy, the portion of GDP dependent on oil and natural gas is more realistically 67-70% (Movchan 2015). The price of oil is so intrinsically tied to the health of the Russian economy that the value of the ruble as a currency is affected- when the oil price is above \$60 US dollars per barrel, the real ruble exchange rate is higher than the inflation-adjusted rate, indicating confidence in the Russian economy, but when the oil price is below \$60 per barrel, the ruble is actually cheaper, the devaluation marking a lack of confidence in the Russian economy (Movchan 2015).

Since the Russian economy is so dependent on the energy sector, the security of demand for Russian natural gas and oil products is paramount. “Russia as a result seeks to have long-term contracts for its energy exports to protect commercial interests both in the Far East and Europe,” a tactic from which profit is more difficult to derive in a market with low oil and natural gas prices (Huotari 2011, 126). The Russian government does not seem to have been successful in

overcoming this fundamental challenge, despite its contracts with European states and East Asian states.

The system under which the Russian government derives income from its investments in energy firms has come under strain in this period of low oil and natural gas prices. In addition to taxes, the government collects dividends from oil and natural gas companies in which the state is a shareholder, which has historically been sufficient to support government initiatives (EIA 2017, 4). However, in 2016, the Russian government directed state-controlled companies to pay out a minimum of 50% of their 2015 net income as dividends, a sign of desperation (EIA 2017, 4). To combat the budget deficit, provide financial assistance to banks and selected state firms, and limit spending cuts, the Russian government in the second half of 2014 decided to tapping reserve funds under the control of the Central Bank of Russia (Bros 2017, 9). The limitations of this tactic soon became clear after 1.6 trillion rubles, constituting 32.4% of the fund, had been spent by the end of the same year (Bros 2017, 9). Government stakes in companies have also come under threat in the effort to alleviate the financial burden from the government. In some cases, the government has had to sell some or all of its stake in companies, including the October 2016 sale of the government's 50.08% controlling stake in Bashneft to Rosneft for \$5.3 billion and the December 2016 sale of a 19.5% stake in Rosneft, although the government did retain a controlling stake in the largest Russian oil exporter (EIA 2017, 4). The overall economic urgency pushed the Russian government to identify new sources of taxes, including the metals and mining sector (which is the second-largest exporter after the oil and natural gas sector) and fertilizer products (Bros 2017, 10).

Russian energy firms, not government agencies, may yet prove to be the most victimized group, upon which this limitation exerts the most force. The pressures on the Russian economy

in general, which have here been revealed as deeply affected by oil and natural gas prices, have made it more difficult for Russian energy firms to finance new projects, especially the more risky and expensive deep-water, Arctic offshore, and shale projects (EIA 2017, 3). Sanctions have also contributed to this problem- virtually all involvement in Arctic offshore and shale projects by Western companies has ceased following sanctions (EIA 2017, 3). These investments were fundamental to the future of Russian oil extraction and export, and their loss essentially puts the long-term health of the energy industry in jeopardy.

This limitation on the Russian government's budget and the energy sector ostensibly places limits on the maneuverability of Russian foreign policy itself and initiatives like the ongoing modernization of the Russian military and the maintenance of multiple frozen conflicts abroad. This limitation does not seem to be short-term or temporary either- in fact, "all indicators suggest that we are at the start of a long phase of low oil prices" (Movchan 2015).

The Path of Least Resistance: An Augmented Sino-Russian Relationship

A close relationship between Russia and China may have been inevitable, but the Western reaction to the 2014 Ukraine crisis has inexorably pushed the Russian Federation into the arms of the Chinese. "Relationship management efforts between Russia and China have helped mitigate the political tensions created by a relatively weaker Russian position post-2014," and the cooperation and conflict-avoidance between the two powers has avoided what might have been an awkward dissonance in relative capabilities (Charap, Samuel, John Drennan, and Pierre Noël 2017, 25). Since China is likely the only non-Western power that has the capabilities to subsidize the sanctioned Western investment, there may well have been little choice else for the Russian government than to work more closely with China. Russia did manage to parallel the United States in one sense: "the phrase 'pivot to Asia' became popular among Russian elite in

May 2014, following Putin's triumphant visit to Shanghai right after the imposition of western sanctions" (Henderson, James, and Tatiana Mitrova 2016, 15). However, unlike the American pivot, which had both connotations of commitment and containment, "Russian courtship of China is straight-forward: the relationship is now intended to mitigate as much as possible the negative implications of receding trade and financial flows with those states that imposed sanctions," i.e. the EU states, Australia, and the US (Charap, Samuel, John Drennan, and Pierre Noël 2017, 28).

Sino-Russian relations have proved in the past few years that the two powers have much to gain by cooperation, mutual acquiescence, and compromise. For the Russian regime, good relations with China allow the Kremlin to bluff a geopolitical advantage it does not necessarily possess.

I. Central Asia: Case Study in Cooperation through Cohabitation

Central Asia has been predicted as a potential flashpoint of conflict between Russian and Chinese interests, but both regimes have instead chosen to carefully avoid conflict and respect the interests of each other. Central Asia has become, due to mutual noninterference and the management of interests, the region that sees the most Sino- Russian cooperation (Skalamera 2017, 123).

Russia as a regional actor in Central Asia prefers to define and maintain relationships with other governments through its Collective Security Treaty Organization, so that Russia can act as the dominant partner in military base, arms, and counterterrorism agreements (Stronski, Paul, and Nicole Ng 2018, 10). This style reflects Russia's lasting role as a provider of Central Asian security and the Russian desire to be the most dominant actor regionally and collect Central Asia in a sphere of influence. To contrast, Chinese interests in Central Asia are

economically focused to keep western China (especially the Xinjiang Autonomous Region) pacified by providing stability to Central Asia, tying the region more to China without claiming it as a sphere of Chinese influence (Stronski, Paul, and Nicole Ng 2018, 10). These different roles (and both regimes' deliberate efforts to not branch out of these roles) have kept Russian and Chinese interests apart in the region and prevented a clash.

However, even though the styles of Russian and Chinese influence diverge, both regimes prefer to work with the incumbent regimes of Central Asian states, rather than trying to upend local politics and change leadership. "Given the chaos that has roiled the Middle East since 2011 and Ukraine since 2014, both China and Russia fear the potential for political instability and popular protest in the region and would prefer to support the political status quo rather than upsetting it," so working with incumbent Central Asian regimes to promote stability makes the most strategic sense (Stronski, Paul, and Nicole Ng 2018, 10). This focus on incumbency has led the Russians and the Chinese to not just cohabitate, but cooperate on projects in Central Asia.

The largest marker of Sino-Russian cooperation is the Shanghai Cooperation Organization (SCO), which was created in 2001 and whose membership Russia and China dominate. The SCO currently has eight full member states (Russia, China, India, Kazakhstan, Uzbekistan, Pakistan, Kyrgyzstan, and Tajikistan), reflecting a broad regional scope. The organization was created as a result of the mutually perceived threats from 'terrorism, separatism, and religious extremism,' and has been an opportunity for the Russians to establish with China shared responsibility in some measure for regional stability and security (Skalamera 2017, 125). The SCO is neither formal alliance, nor security organization, but it has essentially become a forum for discussion and training, working through issues of counterterrorism, counter-narcotics, and cyberspace (Stronski, Paul, and Nicole Ng 2018, 14). Even though the SCO

is not a security organization, it does conduct joint anti-terrorism exercises like the Joint Peace series, to which member states send troops to participate (Meick 2017, 10). Chinese and Russian influence is thereby reinforced through the SCO, along with Central Asian stability.

While the SCO was a joint Sino-Russian enterprise from its creation, Sino-Russian cooperation in Central Asia extends to regional organizations and projects that the two powers created separately. To this effect, in May 2015, Moscow proposed and Beijing accepted an agreement to meld the Chinese Belt and Road Initiative (BRI) and the Russian-dominated regional organization European Economic Union (EEU) by each power declaring support for the other's initiative (Charap, Samuel, John Drennan, and Pierre Noël 2017, 34). The joint agreement confirmed Russian buy-in to the BRI, which the project needed if it was going to be successful in Eurasia and not be undermined by the Russians, and allowed Russia to save face, since Russia cannot provide the infrastructure or the Foreign Direct Investment to Central Asia on the scale offered by the BRI (Charap, Samuel, John Drennan, and Pierre Noël 2017, 34).

Mutual compromise efforts like this in Central Asia between Russia and China ensure that both powers can continue to influence the region in their individual styles and benefit. Even though this acquiescence is unusual and was not predicted, Sino-Russian cohabitation and cooperation in Central Asia is a testament to the importance of the Sino-Russian relationship to both powers.

II. Energized Cooperation

Because the energy sector is vital to the Russian economy and a major vehicle for Russian influence, energy relations with other states are in many ways representative of the effort the Kremlin puts into its relations with other states more generally. China has been the recipient of increasing Russian focus as a market for oil and natural gas exports. In February

2015, Deputy Prime Minister Arkady Dvorkovich “called China Russia’s strongest partner in Asia, stated that Russia would consider allowing China to hold controlling stakes in energy projects, and insisted there were no political obstacles to energy cooperation with China” (Røseth 2017, 37). This statement implies an amount of trust that the Russians do not freely give; it is rare for the Russian government to allow a joint energy project to be pursued in Russian territory if Russian companies do not hold controlling stakes, and contemporary Sino-Russian energy deals and projects generally represent a Russian exposure to vulnerability toward China that requires trust for Russian buy-in (Røseth 2017, 42).

The energy relationship between Russia and China has become dramatically closer in recent years. Most of Russian oil and natural gas exports head to European countries, but European markets for energy are mature and unlikely to grow, and since deteriorating political relations between Russia and the EU threaten to be reflected in the energy sector, it is imperative for Russia to diversify its energy export markets (Henderson, James, and Tatiana Mitrova 2016, 5). China presents a valuable alternative for Russian energy exports- the Chinese “energy demand doubled between 2004 and 2016, more than outstripping indigenous production and creating increasing demand for imports to fuel industrial expansion” (Henderson, James, and Tatiana Mitrova 2016, 74). The two powers are well-matched, then, with complementary needs for exporting and importing oil and natural gas. Working with China does have added benefits for Moscow, however, including political diversity toward a region that has a less antagonistic relationship with Moscow, and the reflection that trade expansion with one of the fastest-growing economies has on Russia’s standing as a significant geopolitical player (Henderson, James, and Tatiana Mitrova 2016, 5).

Sino-Russian energy cooperation suggests that China is set to become a more significant player in the Russian energy sector's future exports. The oil sector is likely to show the most increase first, and "a significant amount of oil produced in eastern Russian regions will head to China, either as crude oil or as an oil product, and Asia could account for more than a third of total Russian oil exports by 2025" (Henderson, James, and Tatiana Mitrova 2016, 76). The Russian government is actively preparing for the share of eastern oil sales will dramatically grow, and has optimistically envisioned oil exports to Asia reaching 2.2 million barrels per day by 2035 (Henderson, James, and Tatiana Mitrova 2016, 36). The Russian state-owned energy firm Rosneft, which is the primary exporter of Russian oil, "has been an initiator in cooperating with Chinese partners, and a dependence on China [especially for investment] is developing in the downstream [(crude oil refinement)] and export sectors," so the Chinese will likely be significant for the oil sector for the foreseeable future (Røseth 2017, 40).

The natural gas sector will also be seeing increased Chinese significance. The Russian government perceives the establishment of a natural gas relationship with China in the aftermath of the Ukrainian crisis as a triumph, and the Kremlin wants the relationship in gas to represent a broader strategic Sino-Russian bond (Charap, Samuel, John Drennan, and Pierre Noël 2017, 31). In 2015, the IEA forecast "growth of Russian pipeline gas supply to China to 80 billion cubic meters by 2040, thereby accounting for 30% of Russian gas exports," and the Russians appear prepared to commit to the implications of that kind of Chinese significance (Røseth 2017, 37). In fact, the Kremlin seems to be engaged in long-term betting on the geopolitical benefits of its relationship with Beijing at the expense of conventional economic profit- the Power of Siberia pipeline project has essentially constituted Kremlin direction of the state-owned company Gazprom to take on a project with an expected low rate of return on capital, which is *only*

beneficial in terms of the project's expected geopolitical benefits (Charap, Samuel, John Drennan, and Pierre Noël 2017, 33). Part of the expectation of a low rate of return on capital stems from state incentives granted by the Russian government to close the Power of Siberia deal and others with Chinese investment and energy firms; to close to Power of Siberia deal, Moscow offered that the project's operations and Chinese investment be exempt from Russian taxes (Røseth 2017, 42). Power of Siberia was only finalized in 2014 after over a decade of negotiations, and the project will actually provide China with a near buyer's monopoly on Russian natural gas exports to Asia (excluding Liquefied Natural Gas), so the agreement on the project represents Russian vulnerability, trust in the Chinese, and long-term gambling by the Kremlin on the value of a strategic partnership with China (Røseth 2017, 42).

Russia often marks its strategic relationships with energy interdependence, but especially since 2014, the Kremlin has purposefully sought to amplify the Sino-Russian energy relationship. Sino-Russian energy cooperation promises to diversify Russian exports, but also give over a certain amount of influence in the Russian energy sector to China as an investor and as a buyer that few states can match. Since Russian mode of communicating strategic partnerships is through energy bonds, Moscow has increasingly turned to Beijing to replace, to an extent, European investment in the Russian energy sector.

III. Security Cooperation

Sino-Russian security ties represent a significant portion of their contemporary cooperation. The Treaty of Good-Neighborliness and Friendly Cooperation Between the People's Republic of China and the Russian Federation, which was signed in 2001, is the explicit foundation that underlies security cooperation. Although there is no mutual security clause, "the treaty stresses mutual nonaggression, noninterference, peaceful coexistence, antiterrorism, international law,

and respect for national sovereignty, equal security, and territorial integrity” (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 31). These values are constantly underscored in the ramping up of cooperation in the security sphere these powers have undertaken since 2014.

Arms trade is one indicator of this cooperation surge. The Russian sales in 2015 of twenty-four 4++-generation Su-35 fighter jets and four-six S-400 surface-to-air missiles to the People’s Liberation Army for \$2 billion and \$3 billion, respectively, reflect a Russian willingness to provide China with advanced weapons systems that simply did not exist in the mid-2000’s (Meick 2017, 5). The arms trade relationship is a natural tie between the powers- “China can’t buy arms from the West because of the EU arms embargo and US sanctions, and the state can absorb Russian arms more easily because it has a large base of Soviet-era military technologies” (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 30). Meanwhile, “Russia’s military modernization program is partly funded by defense exports, and foreign sales could become more crucial if the government implements plans to stabilize military spending in coming years,” so an inviting Chinese market is ideal for Russian export needs (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 30).

Joint military exercises between the two states’ armed forces have become a focus in security operations and are increasingly complex, hallmarking the increasing convergence between the security forces and needs of the Chinese and Russian regimes (Meick 2017, 5). Exercises have been used to demonstrate solidarity between the two powers; “following the ruling of an arbitral tribunal at the Permanent Court of Arbitration in The Hague invalidating China’s territorial claims to the South China Sea, the two [states] conducted their annual naval exercise, Joint-Sea

2016, in the South China Sea with a focus on ‘island-seizing’” (Meick 2017, 7). Exercises have also stemmed from mutual security concerns. While some joint exercises take place under the SCO for missions like counterterrorism, “Aerospace Security-2016, the first computer-simulated missile defense exercise between Russia and China, was likely performed in May 2016 in reaction to recent US-South Korean talks about deploying THAAD (a short-range missile defense system) in South Korea,” reflecting a more specific insecurity from both regimes about American Ballistic Missile Defense placed in Western-allied states that could be used against both Russia and China (Meick 2017, 12).

For both regimes, joint exercises are markers of stability and solidarity against the West especially. “Both regimes feel hostility on their peripheries from a West trying to contain their activities in increasingly brazen ways,” whereas the Russians and the Chinese both consider it their right to act more freely in their peripheries (Meick 2017, 5). Western threats to Russian and Chinese access to their respective peripheries have included U.S. Navy patrols and exercises in the South China Sea and the increasing membership of Eastern European and Northern European states in NATO that seems to encircle Russia. The security bond between Russia and China is tightening, especially since 2014, with an obvious focus on countering and deterring Western policies in these states’ peripheries.

IV. How the Globe Spins: Shared Ideas of Great Power Cooperation

Sino-Russian cooperation has not been derived from a void; rather, “Russia and China benefit in their relationship from similar views on how great powers should work in the international order,” which provides a basis for cooperation and good relations (Charap, Samuel, John Drennan, and Pierre Noël 2017, 37). “Both regimes believe that the international order is undergoing a fundamental shift away from Western-centricity and towards a more ‘balanced’,

‘multipolar’ system, and that the West is resisting this shift,” and this view underlines these powers’ cooperation- if the West is resisting a world order that would better suit the Russian and Chinese regimes, their cooperation to counter the West seems inevitable (Charap, Samuel, John Drennan, and Pierre Noël 2017, 36). Western democratization efforts are also subjected to this lens of resistance, and “both regimes see the West’s push to create more open political or economic systems as part of a broad coordinated attempt by the United States and Europe to promote regime change for political advantage” (Stronski, Paul, and Nicole Ng 2018, 32).

The anti-Western great power cooperation that results from this shared worldview brings advantage to both regimes in the short-term: the Chinese can avoid direct conflict with major Western trading partners and still contribute to the undermining of Western interests, while the Russians with Chinese backing have the opportunity to punch above its weight and so prove a powerful rival to the West by leading the charge against Western policies (Stronski, Paul, and Nicole Ng 2018, 37). The Syrian civil war is a model for this mutual advantage in action. In Syria, Beijing has been a willing partner in the Russian effort to oppose the U.S. handling of the conflict; the Russians have meanwhile taken the heat and the prestige for this effort, and ultimately both powers reap the rewards of demonstrating the limits of Western power on the world stage (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 19).

In many ways, Sino-Russian cooperation across all fronts can be seen as attempts to adjust the international system to their advantage; collaboration in international organizations, development banks, financial systems, etc. arguably accelerates the shift of power from the Transatlantic to the East (Stronski, Paul, and Nicole Ng 2018, 32).

Both regimes tend to actively promote norms which reinforce internal control and limit external oversight or capacity to influence events across borders for states; in 2008, for example, “Beijing and Moscow proposed the Treaty on Prevention of the Placement of Weapons in Outer Space and of the Threat or Use of Force Against Outer Space Objects, which would promote norms restricting military activities in space and which the US has continually opposed” (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 7). Similarly, “both regimes have advocated a new cyberspace order in which states would not infringe on other states’ Internet Sovereignty [a principle that hopes to dictate what rules should be used to govern the management of the Internet and what rights states have to control the content flowing across their country’s networks]” (Chase, Michael, Evan Medeiros, J. Stapleton Roy, Eugene Rumer, Robert Sutter, and Richard Weitz 2017, 7). Further, both regimes are moving towards non-revolutionary and anti-revolutionary authoritarianism, in that neither regime tries to reproduce their political systems elsewhere and indeed oppose Western efforts to foment revolution in other regimes (Charap, Samuel, John Drennan, and Pierre Noël 2017, 36). In the June 2016 Joint Declaration on Promotion and Principles of International Law, the two regimes declared that they “fully support the principle of non-intervention in the internal or external affairs of States, and condemn as a violation of this principle any interference by States in the internal affairs of other States with the aim of forging change of legitimate governments” in a formal enumeration of these values (RF-PRC 2016).

All of these initiatives support an idea of world order in which sovereignty is valued far above human rights, denying the West the moral authority and power to interfere in the affairs of other sovereign states. Without the advantage of moral international norms to enforce around the

world, the West would come down to a more level playing field with the Russians and the Chinese.

Russian Soft Power: Top-Down Branding

“Soft power,” or any non-coercive exertion of power, is a relatively new avenue of influence being directly pursued by the Russian government- the term was only first introduced in the 2013 *Concept of the Foreign Policy of the Russian Federation* (Rotaru 2018, 37). The Russian conception of soft power is based on countering the soft power exerted by the West, and that specific goal entails “a state-directed exercise aimed at exploiting a targeted country’s vulnerabilities” instead of the less-direct Western approach (Lutsevych 2016, 5). Excluding any independent nonstate actors, Russian soft power is packaged in Kremlin-designed themes and narratives (Lutsevych 2016, 4).

Russian soft power now has a few distinct characteristics: the strategy is now bound up in the ideology of a unified Russian World, government-created regional organizations serve as platforms for branding Russia as a regional power, and power is directly exerted (at times almost coercively) through soft levers like Russian energy relationships.

I. Russkiy Mir: An Ideology for the Kremlin’s Soft Power Strategy

Russkiy Mir, or Russian World, is a concept the Russian government uses as a unifying narrative for its near-abroad. The concept takes historical root from the recent past: some 25 million Russians were displaced after the collapse of the Soviet Union, and now reside elsewhere than the Russian Federation, mostly in communities in former Soviet spaces (Dimitrova, Antoaneta, Matthew Frear, Honorata Mazepus, Dimiter Toshkov, Maxim Boroda, Tatsiana Chulitskaya, Oleg Grytsenko, Igor Munteanu, Tatiana Parvan, Ina Ramasheuskaya 2017, 14).

Based on the assumption that Russian-speakers act as Russians wherever they live, Russkiy Mir looks to shared language, culture, and heritage as links to the Russian state and thereby justifies ‘reactivating’ an inherited ‘Russianness’ (Dimitrova, Antoaneta, Matthew Frear, Honorata Mazepus, Dimiter Toshkov, Maxim Boroda, Tatsiana Chulitskaya, Oleg Grytsenko, Igor Munteanu, Tatiana Parvan, Ina Ramasheuskaya 2017, 14). “The Russian World also serves as a justification for what Russia considers to be its right to oversee the evolution of its neighbors, and sometimes for an interventionist policy” by giving the Russian Federation and its government a civilizational centrality that begs for the defense of the broader Russian World (Laruelle 2015, 1). Effectively, Russkiy Mir “has become an operational matrix for building up Russian legitimacy and influence in the post-Soviet region, and a key framework for its proxy groups” (Lutsevych 2016, 8). “The aim is to foster economic, political, and socio-cultural integration in the post-Soviet space” and by putting the Russian state at the center of the Russian world, increase the dependence of Russia’s near-abroad on the Kremlin (Sergunin, Alexander and Leonid Karabeshkin 2015, 349).

The Russian government has been keen to introduce the concept of the Russian World and apply it as broadly as possible officially. Descriptions of who is included in the Russian world have been deliberately vague; in a 2001 speech, Putin stated “the notion Russian World has from time immemorial extended far beyond the boundaries of the Russian ethnos...Tens of millions of people speaking, thinking, and, perhaps more important- feeling Russian live outside the Russian Federation” (Putin 2001). Once applied to this broad area, the Russian World needed protection and support from the Russian state, so the stated foreign policy goals of the Russian state have naturally included: “protecting the rights and legitimate interests of Russian citizens and compatriots abroad; ... [and] expanding and strengthening the space of the Russian language and

culture” (*Foreign Policy Concept of the Russian Federation* 2008). This wide-net policy to defend those in the Russian World was reflected in the justification to the 2014 annexation of Ukraine, in which the Russian government claimed to be protecting the ethnic Russians that constitute over 60% of the peninsula’s population (Tsygankov 2016, 155). Even Eurasianism, perhaps the widest consideration of a Russian World, “is an attempt to create impetus for integration by playing civilizational politics; Moscow highlights a shared Eurasian heritage resting on a distant inter-Asian imperial continuity laid during the so-called period of the Russian ‘Tartar-Mongolian Yoke’ lasting from the 13th to the 15th century” that functions in the same way to put the Russian state in a central role in the near-abroad, just with a more Central Asian focus (Skalamera 2017, 134).

“Russian diasporas in the post-Soviet states are viewed by the Kremlin as a channel for projecting soft power,” and form the most explicit basis for the Russian World (Sergunin, Alexander and Leonid Karabeshkin 2015, 354). Complimentarily, “Russian-speaking minorities in the post-Soviet countries tend to consider Moscow a natural protector and look on Russia and its culture favorably,” leaving them more open to influence and courtship from Moscow (Sergunin, Alexander and Leonid Karabeshkin 2015, 354). One such significant minority is the Russian-speaking population that constitutes around a third of the overall population of Latvia and Estonia, which often feels that local regimes discriminate against it and which doesn’t identify with the Estonian or Latvian nationalities, but as Russian (Sergunin, Alexander and Leonid Karabeshkin 2015, 354). Russian diasporas tend to leave pockets of the Russian language in the most visceral tie to Russia itself. The Russian World has its most powerful potential as the metaphor of the union of the Russian language, since it attracts all Russian speakers to the Russian World despite their nationality, and the historical legacy of the Soviet Union has only

further entrenched the language into the Russian near-abroad (Maliukevicius 2013, 88). Former Soviet state elites are the strongest remnants of the Soviet cultural connection that binds much of the Russian World, since many post-Soviet elites “studied in Russia in the same universities, worked in the same institutions, or served together in the Soviet army” (Tsygankov 2013, 260). Russian-language media reinforces this effect- “its messages resonate among those who are nostalgic for the Soviet Union... [and] for radical nationalist movements and younger generations, [Russian-language programming] offers the narrative of a rising Russia and of a new pole of Eurasian civilization that is challenging the United States” (Lutsevych 2016, 36).

Since the Russian government has taken such care to emphasize the importance of the Russian World and its application, it is unsurprising that there should be an established body with connections to the state to create and strengthen ties between different communities in the Russian World. Thus, in 2007, the Russkiy Mir Foundation was established by a presidential decree, with a main function to promote the Russian language, culture, and education system abroad (Sergunin, Alexander and Leonid Karabeshkin 2015, 355). The Foundation, financed by the Ministry of Education and has an annual budget of 500 million rubles, or around \$15 million, provides philosophical and scientific support to the broader Russian World concept, cooperates with the various Russian diasporas, and aims to promote the state internationally (Lutsevych 2016, 14). Its geographic focus is the post-Soviet space, reflected by the fact that 20% of its grants go directly to organizations in the Commonwealth of Independent States countries (Lutsevych 2016, 14).

Religion has also found its way into how the Russian World is considered. The Russian Orthodox Church, which is an active political player, officially supports the Russian World ideology; its main objective in supporting the concept is the union of the Orthodox churches in

the near abroad under the Moscow Patriarchate's canonical jurisdiction, thereby increasing the Moscow Patriarchate's power along with contributing to the centrality of Russia in its near-abroad more generally (Rotaru 2018, 41). One of the strongest religious and spiritual interpretations of the Russian World comes from the Russian Orthodox Patriarch Kirill, who has suggested that there should be established a term called Russia World Country to identify states more strongly with the concept; his emotional and spiritual interpretation and support has cemented the idea of the Russian World as the ideology of Moscow's soft power strategy (Maliukevicius 2013, 88).

The Russian World is really, then, an ideology for Russian soft power that can be used "for agenda-setting and strengthening the sustainability of Russia's statehood, i.e. the more people and communities need Russia, the more sustainable it is" (Sergunin, Alexander and Leonid Karabeshkin 2015, 355).

II. Energy: A Soft Power Lever with Force

Russia is one of the world's largest hydrocarbon resource holders, producers, and exporters, making up 12.2% of world oil production and 16.3% of world gas production in 2016 (Bros 2017, 5). The energy industry does not simply affect the Russian economy or the government's budget to indirectly affect Russian foreign policy and its application. Instead, the Russian oil and natural gas sectors are themselves direct tools of foreign policy. The Kremlin "uses energy as a principal instrument to maximize state influence and power," which is why Russian energy relationships are indicative of the importance the Russian government places on relationships with states more generally (Huotari 2011, 121). Indeed, "perhaps Russia's most important tool of statecraft is its control over energy pricing, infrastructure construction, and pipelines for transit," since profitable pricing for Russia imitates and reinforces how important

Russia is to the parties of an energy deal, and infrastructure and pipelines directly connect Russia to those states and regions it most wishes to influence (Cooley 2017, 7).

Europe is one of those regions Russia most wants to influence, reflected in the effort Russia has put into the energy relationship between itself and Europe. In 2016, over a third of crude oil imports and over 70% of natural gas imports for European states in the Organization for Economic Cooperation and Development (OECD) came from Russia, demonstrating the impact Russian hydrocarbons have made in the European market (EIA Country Report: Russia 2017, 1). In the same year, European customers were delivered almost 90% of Russia's 7.5 trillion cubic feet of natural gas exports by pipeline, indicating that the Russians were keen to maintain their share of the European market (EIA Country Report: Russia 2017, 20).

The Russo-European energy relationship has been relatively stable for a significant amount of time- the energy trade "has an almost 50-year-long history without cuts in supplies..., with the gas and oil infrastructures, constructed during the Soviet Union, [serving as] an expression of common economic interdependence" (Huotari 2011, 124). Despite the Russian pivot to Asia in 2014, this relationship will be maintained, at least due to existing infrastructure; after all, "with the introduction of the Baltic Pipeline System in 2001 and the Nord Stream gas pipeline in 2011, Russia reinforced its position as the main energy supplier for Europe" (Sergunin 2015, 354). In fact, infrastructure plans indicate renewed Russian willingness to invest in its European relationships- the Nord Stream II promises 'energy hub' status for Germany, with an opportunity for Germany to become the main center for the transit and storage of Russian gas and its onward distribution in Western Europe (Adomeit 2016, 7). The Russian calculation appears to be based on the hope that intensified gas cooperation will mean more efficacious Russian lobbying within European Union institutions, reflecting the foreign policy focus

intended by Russian energy relationships (Adomeit 2016, 5). There is reason to believe this focus is effective: it is likely that Western sanctions imposed in 2014 targeted the Russian gas industry less rigorously because sanctioning that sector would have made for an awkward situation for the EU, since it imports some 31% of its gas from Russia (Bros 2017, 15).

Eastern Europe and Central Asia are also targets of this form of soft power influence through energy, and especially so, given that Russia feels the strategic need to dominate its near-abroad. CIS countries are dependent on imports of Russian energy, a hangover from Soviet history kept contemporary by continuous use of the infrastructure already available, and Russia is a gatekeeper for energy exports from Central Asia; the Russian role in both of these relationships gives the Kremlin the option to use its exports and its transit infrastructure as instruments of political power (Huotari 2011, 125). In fact, “Moscow has routinely used these energy ties and dependencies to promote broader objectives in its foreign relations, including wielding its control over the flow of gas to dependent countries like Belarus and Ukraine to secure foreign policy loyalty” (Cooley 2017, 7). In one instance, Moscow negotiated the Kharkiv Pact of 2010 with Ukraine in an agreement to maintain Russian basing rights in Crimea for 25 years in exchange for a 25% discount on Russian natural gas imports by Ukraine, valued at the time at \$40 billion U.S.D., then essentially tore up the agreement in 2014 after the annexation of Crimea and demanded Kiev pay the full price for its Russian gas (Cooley 2017, 7).

Russian energy relationships reflect the engagement of the Kremlin in relationships with those states more generally, but while most of Europe is influenced by its energy interdependency with Russia, the energy dependent Russian near-abroad can face a more threatening Russian stance.

III. Regional Organizations: A Platform for Domination Through Integration

Russia leads many regional organizations, which are intended to reinforce Russian influence and activity in the affairs of other states and solidify the Russian position as the regional leader in its near-abroad. The Commonwealth of Independent States (CIS), a group of former Soviet states, was the first Russian-led regional organization created and built off of the Soviet legacy, but the unwillingness of its members to integrate on a regional level has caused enough dysfunction that Russia created different regional organizations with more specific focuses and overlapping membership (Laruelle 2015, 10). These organizations include, most prominently, the Collective Security Treaty Organization (CSTO) and the Eurasian Economic Union (EEU), both of which purposefully parallel Western regional organizations (NATO and the EU, respectively). “Member states of these more focused multilateral institutions are more directly and legally linked to Russia than the other [states in Russia’s near-abroad],” a clear result of Russian efforts to dominate through integration (Laruelle 2015, 10).

A Russian-led regional organization entails making Russian the working language of that body, and therefore the CIS, CSTO, and EEU all use Russian. Beyond relative convenience for the Russians present, the use of Russian as the working language of regional organizations “indirectly compels member states of those organizations to maintain a good level of Russian instruction, in order to meet the need for specialists and civil servants who have mastered not only technical knowledge, but also [knowledge of the Russian language to freely communicate within regional bodies]” (Rotaru 2018, 39). The practice of speaking Russian in regional organizations similarly reinforces the centrality of the Russian state at these organizational meetings.

The Eurasian Economic Union is an excellent example in how the Russian state attempts to insert itself in regional affairs through a regional organization. To acquire enough legitimacy,

Moscow “tried to promote itself as an attractive economic power in the post-Soviet space in order to develop the Customs Union [the precursor to the EEU] and the Eurasian Economic Union projects” (Sergunin, Alexander and Leonid Karabeshkin 2015, 354). The EEU was established in January 2015, and the Russian state has since promoted it “as an alternative regional integration project to the EU that can deliver swift economic benefits, low gas prices, and, in some cases- such as in Armenia- implicit security guarantees to its members” (Lutsevych 2016, 9). To promote the EEU, a “Eurasian integration theme became prominent in the discourse of many pro-Kremlin groups, especially in Ukraine, Moldova, and Georgia- countries that aspire to join the EU and which are part of the EU Eastern Partnership Initiative” (Lutsevych 2016, 20). Traditional values and the ostensibly damaging effects of Western European integration were the main focus for the narrative of the Russian proxies working in these states, and reports and studies explaining the benefits of joining the EEU were offered up as a more beneficial alternative (Lutsevych 2016, 20). The broader goal of preventing these states’ entry into the EU has also led to the Russian fostering of frozen conflicts in all three of these states, as noted earlier, reflecting Russian exertions in both carrot and stick form.

Russia would find it hard put to be seen as a world power abroad if it was not first considered a regional power. Regional organizations provide the basis for Russian regional dominance through economic and security integration in its near-abroad.

Conclusion: Sustainability?

The Kremlin is leveraging its relationship with China and using a soft power strategy to position Russia as a regional power with dominance over its near-abroad and as a significant geopolitical player. These factors, amongst others, allow Moscow to punch above its weight with a bold foreign policy in spite of the obvious constraints, at least in the short-term. However, there

is reason to question how sustainable the use of these two factors are in the long term. Indeed, Russia does not seem likely to be able to profit over a longer period of time from its reliance on the Sino-Russian relationship or from its government-directed soft power strategy.

Russian dependence on its relationship with China is sound in terms of their cooperation on the international stage and their benefits: both powers are likely to benefit as they cooperate to counter Western influence in regions like the Middle East and act more freely in their respective peripheries. The asymmetry of the Sino-Russian relationship has been deliberately ignored by both parties, but is cruelly evident in their energy relationship- the Kremlin has invested in long-term gambling on the importance of great-power cooperation at the expense of its energy sector's profits, but this gamble is unlikely to produce many winnings. Instead, "the majority of Russia's eastern hydrocarbon assets are effectively stranded without the availability of the Chinese market... [making Russia] essentially reliant on the growth of the Chinese economy and its expanding, and changing, energy needs" (Henderson, James, and Tatiana Mitrova 2016, 74). Russia interests in Central Asia have also been put at risk by China's economic might; since China is now the trade and investment partner for Central Asia and China has been buying more energy from Central Asia to compensate for its growing energy needs, Russian influence over Central Asian states risks deterioration (Skalamera 2017, 133-134). While the convergent geopolitical interests of Russia and China are likely to persist and inspire greater continued cooperation, Russia may grow economically dependent on China to a degree that could affect its foreign policy maneuverability in the future.

Russia has a lot of soft power potential, but its state-directed approach could leave its near-abroad in the cold. "Moscow has not demonstrated its ability to... adopt policies that can be both successful, sustainable, and non-coercive" in its soft power strategy (Laruelle 2015, 25).

Some experts have speculated that Russian soft power is limited because it is deliberately manufactured and based on a Russian image incongruent with reality, and the mask that makes Russia seem attractive is not likely to endure (Rostoks, Toms, and Diana Potjomkina 2015, 246). Indeed, the Kremlin's determination to "[maintain] full control of soft power and [use] it only in the service of "state interests" has caused its neighbors to regard the promotion of Russian language and culture, the support for ethnic Russians abroad, and ecclesiastical relations with the Moscow Patriarchate with suspicion" (Rotaru 2018, 46). The Kremlin's approach to a deliberately controlled soft power scheme, as it plays out in Russian-led regional organizations and on other soft power platforms, may in this way ultimately limit the effectiveness of its Russian World narrative in its near-abroad.

The most powerful soft power lever that the Kremlin possesses may rest in its role as energy supplier and transporter, but this tool has limited use. The established energy interdependence with Europe has been useful to partially alleviate the effects of Western sanctions, especially as applied to the gas sector, without coercion. But the Russian tendency to use its energy dominance coercively, as in January 2006 when it cut off natural gas supplies to Ukraine over a price dispute, risks branding Russia as an unreliable energy partner and could potentially damage its future energy relationships.

Despite the negative effects of Western sanctions after 2014 and the recent period of low hydrocarbon prices that should have limited its foreign policy maneuverability, the Russian contemporary foreign posture is shockingly bold. The Kremlin has, at least in part, been able to punch above its weight class by augmenting its cooperation on various fronts with the Chinese and by using its soft power potential to encourage domination through integration in its near-abroad. However, Moscow has likely sacrificed long-term sustainability for short-term impact,

and, due to the limitations of relying on the Sino-Russian relationship and a government-directed soft power strategy, risks the catastrophic collapse of the foreign posture the Kremlin has built.

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